

AMENDED IN ASSEMBLY MAY 8, 2007

AMENDED IN ASSEMBLY MAY 1, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 1700

Introduced by Assembly Member La Malfa
(Coauthors: Assembly Members Jeffries and Maze)
(Coauthor: Senator Cogdill)

February 23, 2007

An act to add *and repeal* Section 17053.55 ~~to~~ of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1700, as amended, La Malfa. Personal income taxes: credit: volunteer firefighters.

The Personal Income Tax Law authorizes various credits against the taxes imposed by that law.

This bill would authorize a credit against that tax for each taxable year beginning on and after January 1, 2008, *and before January 1, 2018*, in an amount equal to 80% of the amount paid or incurred by a qualified firefighter during the taxable year for qualified firefighter expenses, as defined, *not to exceed \$1,500*.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 17053.55 is added to the Revenue and Taxation Code, to read:

17053.55. (a) For each taxable year beginning on or after January 1, 2008, *and before January 1, 2018*, there shall be allowed as a credit against the “net tax,” as defined in Section 17039, of a qualified firefighter an amount equal to 80 percent, *not to exceed one thousand five hundred dollars (\$1,500)*, of the amount paid or incurred during the taxable year for qualified firefighter expenses.

(b) For purposes of this section, all of the following apply:

(1) “*Certifying entity*” means any fire department, as specified in this section, the California Department of Forestry and Fire Protection, and any county forestry or firefighting department or unit, for which the qualified firefighter reports to.

~~(1)~~

(2) “Qualified firefighter expenses” means the amount paid or incurred by a qualified firefighter, for which the qualified firefighter was not reimbursed, for training and equipment that ~~was required to be~~ obtained in order to serve as a qualified firefighter.

~~(2)~~

(3) “Qualified firefighter” means ~~both~~ either of the following:

(A) A volunteer firefighter who is registered as an active firefighting member of any regularly organized volunteer fire department having official recognition, and full or partial support of the government of the county, city, town, or district in which the volunteer fire department is located in the state.

(B) A professional firefighter who is employed as a firefighter by the California Department of Forestry and Fire Protection, or any county forestry or firefighting department or unit, or any firefighter hired to serve as a firefighter by a fire department of a city, county, city and county, district, or other public or municipal corporation or political subdivision.

(c) *In order to be eligible for a tax credit authorized by this section, the qualified firefighter shall do all of the following:*

(1) *Submit a request to the certifying entity for certification of both of the following:*

1 (A) That the firefighter is a qualified firefighter as provided by
2 this section.

3 (B) That the equipment for which the qualified firefighter is
4 claiming a credit under this section was obtained in order to serve
5 as a qualified firefighter.

6 (2) Retain for his or her records a copy of the certificate issued
7 by the certifying entity as specified in subdivision (d).

8 (3) Provide a copy of the certification to the Franchise Tax
9 Board upon request. If the qualified firefighter fails to comply with
10 the requirements of this subdivision, no credit shall be allowed to
11 that qualified firefighter under this section for any taxable year
12 unless the qualified firefighter subsequently complies.

13 (d) The certifying entity shall do all of the following:

14 (1) Certify that the firefighter is a qualified firefighter as
15 provided by this section.

16 (2) Certify that the equipment for which the qualified firefighter
17 is claiming a credit under this section was obtained in order to
18 serve as a qualified firefighter.

19 (3) Provide the qualified firefighter with a copy of the
20 certification to retain for his or her records.

21 ~~(e)~~

22 (e) No deduction shall be allowed as otherwise provided in this
23 part for that portion of expenses paid or incurred for the taxable
24 year which is equal to the amount of the credit allowed under this
25 section attributable to those expenses.

26 (f) No credit may be claimed under this section with respect to
27 any amount for which any other credit has been claimed under
28 this part.

29 (g) If a qualified firefighter that claims a credit under this
30 section sells, transfers, or otherwise disposes of, either directly or
31 indirectly, any equipment within three years of the taxable year
32 during which he or she first claimed the credit, there shall be added
33 to the “net tax” of the qualified firefighter during the taxable year
34 of sale, transfer, or disposition an amount equal to the total credit
35 claimed multiplied by a fraction, the numerator of which is the
36 remaining term of three years and the denominator of which is
37 three.

38 ~~(h)~~

39 (h) In the case where the credit allowed by this section exceeds
40 the “net tax,” the excess may not be carried over to reduce the “net

1 tax” ~~in succeeding years~~ *for the next three taxable years, or until*
2 *the credit has been exhausted, whichever occurs first.*

3 (i) *This section shall remain in effect only until December 1,*
4 *2018, and as of that date is repealed, unless a later enacted statute,*
5 *that is enacted before December 1, 2018, deletes or extends that*
6 *date.*

7 SEC. 2. This act provides for a tax levy within the meaning of
8 Article IV of the Constitution and shall go into immediate effect.